Notes to the Group annual financial statements
continued
for the year ended 31 May 2021

8. Related parties
Transactions and balances with related parties:

	Sales to related parties 2021 R'000	Sales to related parties 2020 R'000	Purchases from related parties 2021 R'000	Purchases from related parties 2020 R'000
Black Ginger 59 Proprietary Limited	–	–	–	64
Blue Label Mexico S.A. de C.V.*[1]	1 406	5 935	–	–
Cell C Limited and its related entities*	1 729 573	1 395 521	4 275 098	3 305 045
Ellerine Bros. Proprietary Limited	–	–	161	157
i-Crypto Incorporated*	121	138	–	213
Mobii Systems Proprietary Limited and its related entities*	48	–	–	–
Melrose Motor Investments Proprietary Limited	–	–	10	11
Moneyline 311 Proprietary Limited	–	–	3 720	3 696
Prepaid24 Proprietary Limited*[1]	8 832	12 292	–	–
T3 Telecoms SA Proprietary Limited*	3 394 108	43 923	14 154	26 492
The Grill House Close Corporation	–	–	–	140
Unihold Group Proprietary Limited	83	24	–	–
I Talk Holdings Proprietary Limited*[2]	23 756	13 938	12 935	17 303
I Talk Financial Services Proprietary Limited*	3 645	–	651	–
Uvongo Falls No 26 Proprietary Limited	–	–	1 445	1 365
	5 161 572	1 471 771	4 308 174	3 354 486

	Income received from related parties 2021 R'000	Income received from related parties 2020 R'000	Expenses paid to related parties 2021 R'000	Expenses paid to related parties 2020 R'000
Other income received from related parties				
I Talk Holdings Proprietary Limited*	157	82	–	–
Mobii Systems Proprietary Limited and its related entities*	480	–	–	–
Dividends received from related parties				
I Talk Holdings Proprietary Limited*[2]	14 000	5 000	–	–
Interest received from related parties				
SupaPesa South Africa Proprietary Limited*[3]	–	556	–	–
T3 Telecoms SA Proprietary Limited*	977	666	–	–
I Talk Holdings Proprietary Limited*[2]	146	931	–	–
Prepaid24 Proprietary Limited*[1]	69	–	–	–
Finance revenue from related parties				
Cell C Limited and its related entities*	95 951	108 084	–	–
Management fees received from related parties				
T3 Telecoms SA Proprietary Limited*	325	286	–	–
I Talk Holdings Proprietary Limited*[2]	2 580	515	–	–
Rent received from related parties				
T3 Telecoms SA Proprietary Limited*	412	206	–	–
Interest paid to related parties				
I Talk Holdings Proprietary Limited*[2]	–	–	546	6
Management fees paid to related parties				
T3 Telecoms SA Proprietary Limited*	–	–	–	203
Rent paid to related parties[4]				
Ellerine Bros. Proprietary Limited	–	–	9 098	8 424
Moneyline 311 Proprietary Limited	–	–	9 098	8 424
Uvongo Falls No 26 Proprietary Limited	–	–	9 376	8 715
	115 097	116 326	28 118	25 772

8. Related parties continued

Transactions and balances with related parties:

	Loans to related parties 2021 R'000	Loans to related parties 2020 R'000	Loans from related parties 2021 R'000	Loans from related parties 2020 R'000
2DFine Holdings Mauritius*#	**196 513**	249 513	**–**	–
2DFine Investments Mauritius*#	**3 318**	4 082	**–**	–
Oxigen Services India Private Limited*#	**45 908**	57 248	**–**	–
Brett Levy (refer to note 3.5.1)	**41 857**	52 415	**–**	–
Mark Levy (refer to note 3.5.1)	**41 857**	52 415	**–**	–
Prepaid24 Proprietary Limited*[1]	**–**	3 578	**–**	–
T3 Telecoms SA Proprietary Limited*	**15 016**	9 053	**–**	–
I Talk Holdings Proprietary Limited*[2]	**2 000**	2 000	**270**	–
I Talk Financial Services Proprietary Limited*	**8 000**	–	**–**	–
Total loss allowance on loans to related parties (refer to note 3.5.1)	**(247 992)**	(315 985)	**–**	–
	106 477	114 319	**270**	–

	Guarantees given to related parties 2021	Guarantees given to related parties 2020	Guarantees received from related parties 2021	Guarantees received from related parties 2020
Oxigen Services India Private Limited*	**–**	87 603	**–**	–
	–	87 603	**–**	–

	Lease asset due from related parties 2021	Lease asset due from related parties 2020	Lease liability due to related parties[3] 2021	Lease liability due to related parties[3] 2020
Ellerine Bros. Proprietary Limited	**–**	–	**18 419**	25 297
Moneyline 311 Proprietary Limited	**–**	–	**18 419**	25 297
Uvongo Falls No 26 Proprietary Limited	**–**	–	**18 859**	27 168
	–	–	**55 697**	77 762

	Amounts due from related parties included in trade receivables 2021	Amounts due from related parties included in trade receivables 2020	Amounts due to related parties included in trade payables 2021	Amounts due to related parties included in trade payables 2020
Blue Label Mexico S.A. de C.V.*[1]	**–**	426	**–**	–
Cell C Limited and its related entities*	**1 677 193**	1 266 899	**456 902**	488 917
Mobii Systems Proprietary Limited and its related entities*	**782**	–	**2**	–
Oxigen Services India Private Limited*	**–**	5 876	**–**	–
Prepaid24 Proprietary Limited*[1]	**–**	11	**–**	–
T3 Telecoms SA Proprietary Limited*	**3 879**	3 200	**–**	–
Unihold Group Proprietary Limited	**590**	492	**–**	66
I Talk Holdings Proprietary Limited*[2]	**4 775**	119	**3 706**	–
I Talk Financial Services Proprietary Limited*	**2 855**	–	**204**	–
Uvongo Falls No 26 Proprietary Limited	**–**	1 436	**–**	–
Total loss allowance on trade receivables to related parties (refer to note 3.5.2)	**(5 055)**	(10 995)	**–**	–
	1 685 019	1 267 464	**460 814**	488 983

Notes to the Group annual financial statements
continued
for the year ended 31 May 2021

8. Related parties continued

	2021 R'000	2020 R'000	2021 R'000	2020 R'000
	Amounts due from related parties included in other receivables		Amounts due to related parties included in other payables	
I Talk Holdings Proprietary Limited*[2]	–	–	1 572	–
	–	–	1 572	–

* These entities are associates/joint ventures. For further details in this regard, refer to note 2.1.
\# These loans and receivables have been fully provided for both in the current and prior year and are included as part of the total loss allowance.
[1] Prepaid24 Proprietary Limited and Blue Label Mexico S.A. de C.V. were disposed of during the year. Transactions with both are disclosed up until the date of sale. Refer to note 2.1.
[2] I Talk Holdings Proprietary Limited was previously named United Call Centre Solutions Proprietary Limited.
[3] SupaPesa South Africa Proprietary Limited was disposed of as part of the VAS operations sale transaction in the prior year. Refer to note 2.1.
[4] Included in the rental payments is the unwinding of the lease liability.

For details of emoluments to Directors, refer to note 5.3. For details of equity compensation benefit expense in respect of Directors, refer to note 5.1. The Executive Directors of the Company are regarded as key management of the Group.

For details of the shareholdings in the Company, refer to the Directors' report.

9. Unrecognised items

9.1 Subsequent events

Glocell Distribution

On 29 June 2021, The Prepaid Company acquired the remaining 52% shareholding in Glocell Distribution for a total purchase consideration of R137 million, of which R126 million was discharged by way of a conversion of debt owing by Glocell Proprietary Limited, the owners of 40% of the company, to The Prepaid Company. The balance of 12% was acquired by The Prepaid Company for R11 million. Over and above the cost of acquisition of 52% of Glocell Distribution by The Prepaid Company, the latter assumed Glocell Proprietary Limited's obligation of R105 million to Investec Bank Limited.

Banking facilities

Subsequent to year-end, The Prepaid Company renegotiated a further extension of its Investec facility to 30 September 2022, whereby the facility of R1.45 billion was increased by R105 million relating to the Glocell Proprietary Limited facility as referred to above. From December 2021, the exposure to Investec is required to be reduced by R50 million per month, with the balance owing to be no more than R1 billion. As at 31 May 2021 the Investec facility is disclosed as current borrowings, as the extension to 30 September 2022 was only granted in August 2021.

In August 2021, CEC entered into a debt funding agreement with Investec. Its mezzanine facility with Investec was due to expire on 31 August 2021 but has been extended to 31 March 2022. As at 31 May 2021 CEC's debt facility was disclosed as current borrowings, as the extension to 31 March 2022 was only granted in August 2021.

Airvantage and AV Technology put obligations

In October 2020, the minority shareholders of Airvantage Proprietary Limited (Airvantage) and AV Technology Limited (AV Tech) exercised their rights to put their 40% shareholding therein to Blue Label Telecoms (BLT), in line with the initial agreements that were concluded between the parties in 2017. The purchase consideration under the put options, as determined by the parties in December 2020, for the 40% shareholdings in Airvantage and AV Tech, amounted to R152 million and USD4.6 million respectively (purchase price).

In February 2021, the parties concluded an agreement legislating for a deferral of the purchase price payable to the minority shareholders of Airvantage and the minority shareholder of AV Tech from 31 December 2020 to 31 March 2021, with subsequent extensions being granted, payable in six equal monthly instalments, inclusive of interest, commencing on 30 November 2021.

If Cell C Limited is able to pass a solvency and liquidity test, the primary obligation in respect of the put options can be transferred to Digital Ecosystems Proprietary Limited (DE), formerly Blue Label Mobile Proprietary Limited, in terms of the agreement concluded with it in September 2019.